

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
v.	:	DATE FILED: _____
STANLEY P. SZAGOLA	:	VIOLATIONS:
		18 U.S.C. § 1344 (Bank fraud – 1 count)
	:	18 U.S.C. § 1956 (Money laundering –
		3 counts)
	:	Notice of additional factors

I N F O R M A T I O N

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. Schiller-Pfeiffer, Incorporated, 1028 Street Road, Southampton, Pennsylvania (“Schiller-Pfeiffer”), manufactured “Little Wonder” and “Mantis” branded landscaping and gardening equipment.
2. Defendant STANLEY P. SZAGOLA was a Certified Public Accountant, and he served as the Controller of Schiller-Pfeiffer and managed its day-to-day financial affairs.
3. First Union National Bank was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.
4. Defendant STANLEY P. SZAGOLA maintained a personal bank account at First Union National Bank (the “First Union account”).

5. From in or about February 1996 through in or about August 2002, in the Eastern District of Pennsylvania and elsewhere, defendant

STANLEY P. SZAGOLA

knowingly executed and attempted to execute a scheme to defraud First Union National Bank, and to obtain monies owned by and under the custody and control of First Union National Bank, by means of false and fraudulent pretenses, representations, and promises.

THE SCHEME

It was part of the scheme that:

6. From in or about February 1996, through in or about August 2002, defendant STANLEY P. SZAGOLA drafted over 200 Schiller-Pfeiffer corporate checks in pencil, made payable to third party vendors.

7. Defendant STANLEY P. SZAGOLA submitted such checks to Schiller-Pfeiffer executives for signature.

8. After obtaining the necessary Schiller-Pfeiffer signatures, defendant STANLEY P. SZAGOLA erased the names of the payees and replaced them with his own name, without the authorization of Schiller-Pfeiffer.

9. Defendant STANLEY P. SZAGOLA, acting with the intent to defraud and deceive First Union National Bank, then deposited the majority of the altered checks into the First Union account, knowing that the checks had been altered and that he was not entitled to the funds.

10. In total, defendant STANLEY P. SZAGOLA unlawfully embezzled over \$7,000,000 from Schiller-Pfeiffer in this manner.

11. Defendant STANLEY P. SZAGOLA regularly traveled to Atlantic City, New Jersey, in order to gamble at the local casinos.

12. While gambling, defendant STANLEY P. SZAGOLA signed his name to various casino “markers,” through which he obtained lines of gambling credit with the casinos.

13. When defendant STANLEY P. SZAGOLA earned cash winnings on his casino markers, he deposited the winnings into his personal bank account at William Penn Savings Bank (the “William Penn account”). However, SZAGOLA authorized the casinos to collect on his markers by withdrawing payment directly from the First Union account.

14. Over \$3,000,000 of the embezzled funds were collected by casinos from the First Union account, as payment for defendant STANLEY P. SZAGOLA’s gambling markers.

All in violation of Title 18, United States Code, Section 1344.

COUNTS TWO THROUGH FOUR

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1-14 of Count One are realleged here.
2. Defendant STANLEY P. SZAGOLA divided his casino winnings into cash deposits of less than \$10,000 per deposit, in an effort to avoid transaction reporting requirements and evade detection by law enforcement.
3. William Penn Savings Bank was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.
4. On or about each of the dates listed below, at Levittown, in the Eastern District of Pennsylvania and elsewhere, defendant

STANLEY P. SZAGOLA

conducted a financial transaction, affecting interstate commerce, with proceeds of specified unlawful activity, that is, bank fraud in violation of Title 18, United States Code, Section 1344, knowing that such property constituted criminally derived property, and knowing that each transaction was designed in whole or in part to avoid a transaction reporting requirement under State or Federal law:

<u>COUNT</u>	<u>DATE</u>	<u>FINANCIAL TRANSACTION</u>
TWO	May 11, 2000	Deposit of \$9,800 cash into the William Penn bank account
THREE	May 12, 2000	Deposit of \$9,800 cash into the William Penn bank account
FOUR	May 22, 2000	Deposit of \$9,900 cash into the William Penn bank account

All in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(ii).

NOTICE OF ADDITIONAL FACTORS

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. In committing the offense charged in Count One of this indictment,
defendant Stanley P. Szagola:

a. Committed an offense in which the loss exceeded \$7,000,000, as
described in U.S.S.G. § 2B1.1(b)(1).

b. Abused a position of private trust and used a special skill, in a
manner that significantly facilitated the commission or concealment of the offense, as
described in U.S.S.G. § 3B1.3.

PATRICK L. MEEHAN
UNITED STATES ATTORNEY